

agenda, and I look forward to debating my amendment tomorrow.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

□ 2315

ENERGY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 23 minutes, half the time until midnight, as the designee of the minority leader.

Mr. PETERSON of Pennsylvania. Madam Speaker, it's a delight to come to the House tonight and talk about an issue that I believe is vital to America's economic future, vital to the strength of our families, of our communities: energy.

I want to congratulate the leadership of the House. Next week is going to be energy week. We are going to be having bills coming from the Resources Committee, the Ways and Means Committee. I think, tonight, tomorrow, we will be dealing with some energy issues in the farm bill, because I personally believe available, affordable energy is the number one challenge facing America.

Now, from what I have seen in the committee structure, and I am hoping when we get to the floor we will have amendments, and we will have more discussion, but there are some concerns. I know that the bills coming to the floor remove incentives to produce domestic energy. That's energy produced in America or offshore. I know there is increases in taxes on domestic energy production. That's extra taxes on those who will produce, process energy here in America. But I see no incentives to produce the basic fossil fuels, oil, gas, nuclear, coal, or some that I think are potentially helpful, coal to liquids and coal to gas.

I have a chart on my left here that shows us the current use of energy, 23 percent clean, green natural gas; 23

percent coal, mostly for power generation. Down here, we have 40 percent petroleum, and a large portion of that is our transportation system, but it's used in other ways too. Then we have nuclear energy in the kind of a light, grayish blue color over here.

Now, the ones we really have all the hope for are here in the 6 percent; that's our renewables. Now you will hear everybody promoting renewables, and we should. But let's look at what amount we today have from renewables, and how we can grow them. We are going to have lots of incentives, and we have had lots of incentives. The 2005 bill had incentives for all renewables.

Solar is .06 of a percent of our energy supply today; .06, that's not even 1/10 of 1 percent. Now the one that surprised a lot of people is biomass, 2.4 percent. A lot of that's woody waste, it's the pellet stove industry, it's waste being burned in boilers to heat factories, to dry wood. Lots of places where they have wood waste, they put in wood-burning boilers. It's also been used to top coal-burning boilers so they can meet air quality standards, because wood burns cleaner than coal.

Then we have geothermal. We know geothermal is using ground heat, ground temperature, water temperature; but it's .36 of a percent. Then we have hydroelectric that's 2.7. That's a figure that's declining because we have actually taken dams out in this country.

Then we have wind, which we hear a lot about today, but it's .12 of a percent of our energy portfolio.

I guess my concern is that we have a growing need of energy in America, somewhere, 2, 2.5 percent a year; and we all know that we must conserve. We must use energy more wisely. This chart shows you that.

But it appears to me that all the hope, and all the faith, and all the incentives are going to be out here. We should have them out there.

But if we don't produce more natural gas, if we don't produce more oil, and if we don't at least develop coal to liquids or coal to gas, then the growth in the renewables will not even meet the demand in the growth in energy use in the country, so it's very concerning.

Now, I believe the one that we really miss out on is natural gas. Natural gas heats 57 percent of our homes. It heats probably 70 percent of our businesses. It's used in huge amounts to make electricity. I think 20 percent of our natural gas is now used to make electricity, and natural gas is a major ingredient in making ethanol.

We currently have 116 ethanol plants, and we have 78 under construction, and seven that are under expansion. Up to 95 percent of these plants, we use clean, green, natural gas to run their boilers to make ethanol. So that is very vital to us that we have adequate amounts of clean, green natural gas.

It's interesting that hydrogen is one that's not a percentage, but it's one

that we talked about in hydrogen vehicles, but the hydrogen we make today is made from what? Natural gas.

Biodiesel, not on the chart, but another item that's starting to perk out there. We use, again, a lot of natural gas to make biodiesel.

Now, the problem we have had in America is we use a lot of natural gas, and here's the reason why: about 12 years ago we took away the prohibition of making electricity with natural gas. When this happened, we started to have a shortage. As the use of natural gas goes up, and we are not supplying more natural gas, we are getting huge price increases. Just 6 years ago, natural gas was less than \$2 a thousand. Last year the average price to homeowners was about \$12.50 a thousand, huge increases.

Now, this has been monumental to business. Dow Chemical, chemical companies use huge amounts of natural gas; 55 percent of the cost of making chemicals in America is natural gas. They use it as an ingredient; they use it as a fuel. Dow Chemical's gas bill in 2002 was \$8 billion, a lot of money. In 2006, it was \$22 billion, and today it's rising.

The problem we have is we have continued to make ethanol, all our chemical plants, fertilizer plants, fertilizer, 50 to 70 percent of the cost of making nitrogen fertilizer, natural gas. Natural gas is an ingredient. All the ladies who like skin softeners, a major ingredient in skin softeners is natural gas.

Natural gas is in our carpets. It's in our drapes. It's in many of our clothes. It's in plastic products; 45 to 50 percent of polymers in plastic cost is natural gas.

All the good industries we have left in this country use huge amounts of natural gas. For the last 6 years, we have had the highest prices in the world on natural gas because we have refused to open up new fields. We have refused to reach offshore. We have made it difficult in many parts of the West to produce natural gas.

We look at it as something evil to drill a 6-inch hole in the ground, put a steel pipe in and let gas out. Yet it's what fuels the country. America is great because we always had cheap affordable energy up until 6 years ago.

Another factor many Americans don't know, and too many Members of Congress don't know is that natural gas is not a world price, when, currently, oil is \$75, \$77 a barrel, pretty painful for our economy, but it's pretty painful for all our competitors around the world too. But for 6 years, America has had the highest natural gas prices in the world. That's something we need to do something about.

We can see a chart here of what it's done to manufacturing. We have lost more jobs in America because of natural gas prices. As natural gas prices have risen, manufacturing price jobs have dropped because the fertilizer industry in the last 2 years, 40 percent of manufacturing went offshore. They are hanging on with a string. If we don't

bring natural gas prices down in the world average price, our farmers will be using foreign fertilizer to grow corn to make ethanol. Doesn't sound like a winner to me.

But it's vital, because one more chart here on trade, that a huge percentage of the trade deficit in this country is because of energy. We're buying our energy, our oil, 66 percent of our oil today comes from foreign, unstable, unfriendly countries. I find that a worry.

The bills we have coming up next week deal not with increasing domestic production, because when you decrease domestic production, you increase foreign imports. Now, everybody says we should be independent, energy independent. It's an impossibility on oil. I wish it wasn't.

Natural gas, we have reserves offshore, we have reserves onshore. We could be total supplying all of our own natural gas. We currently supply 80 some percent of ours, about 16 percent from Canada and a couple of percent LNG. But on oil, we have been gaining 2 percent a year in the last 10 years, every year, of foreign dependence. That's because we are buying this huge amount of energy from foreign countries, not our friends, and currently OPEC is in charge.

OPEC has been controlling prices the last year again. For a while, they didn't have control. They are back in control. As we look at where we buy our oil, Canada is one of our biggest suppliers, but they are really the only friendly one that we are really close friends with, and it's the one that we could be comfortable with.

The rest of the countries aren't even stable governments and could topple tomorrow. We currently have \$75, \$76, \$77, I am not sure where it is today, but it was bouncing around there, and that's with no storms in the gulf and with no country that's in trouble at the moment. If we have one of the big exporting countries in trouble, and a couple of storms in the gulf like we did 2 years ago, we could be at \$85, \$90 and we could be approaching \$3.50 and \$4 gasoline. We all know the devastation that will have on us.

I have legislation I want to brief you on before I run out of time, I know I am getting short, but I have legislation called the NEED Act. It's about opening up the Outer Continental Shelf. It's 3 miles to 200 miles offshore where we have energy. Every country in the world produces on their Outer Continental Shelf but America, every country in the world, Canada, Norway, Sweden, all those green countries. They all produce energy offshore.

We have chosen to lock our Outer Continental Shelf up. It's a terrible mistake. It's the last environmentally hazardous way to produce gas and oil. My bill is gas only. It gives States control of the first 50 miles. The first 25 are locked up; the second 25 are open, if they want them open. The second 50 miles is open unless they have legisla-

tion, and they can even close it; and the last 100 miles is open automatically.

It would open up great reserves so we could have access to natural gas so we could stabilize prices in this country, so we could have energy to heat our homes, affordable energy to heat our business, energy to maintain the employment base in America that we are losing. If we don't stabilize natural gas prices, we are going to lose the petrochemical business. Dow Chemical just committed \$32 billion to Saudi Arabia where gas is \$1.25, where ours runs \$10 or \$12.

Folks, we have to bring natural gas prices down so we can maintain what's left of the fertilizer industry, polymer and plastics industry. The steelmakers tell me they can't stand any more high prices, aluminum makers.

My prediction, if we don't deal with the natural gas crisis in America, Americans will not be able to heat their homes affordably. Small businesses will not be able to stay in business if they use any amounts of energy, and we will be shipping all of these great jobs that made our country strong and to give our jobs to the working middle-class people of America, we are just going to be giving those away to other countries.

I predict the big bulky items, even like bricks and glass, will be made in nearby Trinidad, which is an island north of South America, only one day away in a ship where gas prices are only 90 cents.

I believe it's vital that as we approach the energy issue next week, that we talk about production, that we talk about how we continue to have adequate energy in America, and how we specifically have adequate natural gas to maintain the industries we have left. If we have an energy bill that only makes it more difficult to produce domestic industry, if we have an energy bill that only makes it more expensive to produce and if you tax, the production of oil and gas, if you tax the production of any kind of energy, if you tax that, you raise the price, you raise the price to consumers, because they pay it, we end up paying it as consumers. So it's vital.

In my view, it's vital that we have an energy bill next week and we have an open debate and we have lots of chance for amendments, we get to talk about it. What would coal liquids do?

I think the President has proposed cellulosic ethanol. Now, it's a good idea. That's making ethanol out of cellulose instead of corn, but the problem is, it's still in the laboratory. It's close to being able to come out of the laboratory, and, therefore, is funding six plants, futuristic. I am for that.

We ought to be doing the same to coal liquids. The Germans have made liquids and gas out of coal in World War II when they had embargoes and couldn't get oil. So we ought to be streamlining that process and having it ready. We ought to be juicing up our

nuclear. We need all of the 35 nuclear plants that are under permit process today to be built by 2030 to just maintain 20 percent of our electric grid to remain nuclear, no growth.

The growth in the need of oil and gas continues, as our economy continues, and the problem we have today that we didn't have a few years ago. Just 6 years ago, gas was \$2 a thousand, oil was \$10 a barrel, just 6 years ago.

□ 2330

And today there is a shortage of oil in the world, and we have competitors like China and India that are consuming energy at a much faster growth than we are. They are increasing their energy use 15 to 20 percent a year. They are buying up reserves all over the world. They are building coal plants, coal-to-liquid plants. They are building nuclear plants. They are building the biggest hydro dams in the world. They are preparing for their economic future.

In America, because we have never had an energy shortage like this, we have had little shortages for months and years or part of a year in the 1970s, 1980s, and 1990s when there were world crises, but the current prices, as high as they are, are a floor on which we are going to have spikes. When we have spikes and we have \$100 oil, Americans are going to struggle. They are going to struggle to heat their homes, they are going to struggle to drive their cars, especially the poor Americans, and the companies that use a lot of energy are going to struggle to make products and compete in the global marketplace.

I think it is vital next week that this Congress deals with energy openly. I want all the renewables to be promoted and incentivized and, yes, even subsidized. But when they are fractions of a percent, you can double them or triple them in 5 years, and they are still a fraction. They will not meet the needs of our society in the next couple decades.

We have to have fossil fuels. Some people hate fossil fuels. We need to use them as clean as we can. We need to use them as wisely as we can. We are going to have to conserve, because I want to tell you, the next spike in energy crisis, the Americans are going to be conserving because they are not going to have the money to pay for it. They are going to have to cut down their travel, they are going to have to keep their houses cold, and that is not how Americans should live.

This Congress should not be restricting access of the Outer Continental Shelf. We should not be restricting access to the vast reserves that are in this broad country. We know how to produce energy today. We ought to be forcing forward coal-to-liquids. We ought to open up the Outer Continental Shelf.

And those who scream about the oil companies making huge profits, it is my opinion that the oil companies

have made huge profits because of Congress and the administration. When you restrict supply, then you increase price. And so when oil companies and gas companies invested in reserves and did that with the hopes that they would be worth \$30 a barrel, and they became worth \$75 a barrel, they are going to make a lot of money. If you had a monopoly on any issue or any item, and you expected to sell it for \$10 a profit, and then the supply gets short and you can sell it for \$30, you are going to make a lot more money. That is just basic economics.

So the reason oil companies have made a lot of money is they invested in oil, they invested in gas reserves assuming that their prices were going to be far less. And when our government decided that we weren't going to produce it domestically, we were going to depend on foreign countries because foreign worked cheap; it didn't really matter even 6 years ago. There was a lot of concern about our growing dependence on foreign energy, but it didn't matter. It was cheap, \$2 for gas, \$10 for oil. Nothing competes with that. There is no reason to go in any other direction.

But that is all behind us, and it is all behind us because there is actually shortness of energy in this country and in the world. And so we are huge competitors. China will surpass us in energy use very soon. India is using huge amounts. All the developing countries, as they develop their auto fleets and their manufacturing bases, they are all using huge amounts that they didn't before. They lived very simple lives. So as the world progresses, the need for energy will grow.

And America seems to me to be the country that is doing the least to prepare for its energy future. And its energy future is available, affordable energy, and we should have lots of gas, lots of coal, lots of oil, all the renewables we can get, expansion of nuclear. We need to be looking down every road, every new way of producing energy we can, and the cleanest and greenest we can have it. And we should be conserving it as much as we can and not wasting it.

But, folks, we are in trouble. As a country, we are facing serious problems, because energy that is affordable and available may not be with us in just the short months and years ahead. Two storms in the gulf this summer, one or two of the sending countries that export oil have a problem in their government. It happens all the time.

Eighty percent of the energy of gas and oil in the world is owned, controlled, marketed by countries that are not democracies, not our friends, and they own the oil company. Exxon is the 14th largest oil company in the world. The 13 larger are monopoly oil companies owned by the government, and those are who we are going to depend on.

America needs to secure its energy future. It needs to produce adequate

amounts of gas, oil, coal, and all the renewables we can. We need to have an energy policy. And I hope next week we can debate all these facts. Natural gas is the clean green fuel that can be the bridge, help us with ethanol, help us with hydrogen, help us with biodiesel, and even a third of our auto fleet can be fueled with natural gas. We would save 2½ million barrels of oil a day. America needs to prepare for its energy future.

MAJORITY MAKER FRESHMEN

The SPEAKER pro tempore (Mrs. BOYDA). Under the Speaker's announced policy of January 18, 2007, the gentleman from Minnesota (Mr. ELLISON) is recognized for 23 minutes, half the time until midnight, as the designee of the majority leader.

Mr. ELLISON. Madam Speaker, today is a good day. The Majority Maker Freshmen are here tonight at this late hour to celebrate the increase in the minimum wage for the first time in 10 years. The minimum wage, the amount of pay that the lowest paid workers in our country receive, now will be able to claim an increase in pay.

Madam Speaker, I am joined today by our colleagues, Mr. RON KLEIN of Florida and Mr. PAUL HODES of New Hampshire, to talk about this question of economic justice, this issue of a shared prosperity in our economy and in our country. And I can think of no more important and no better topic to kick off the conversation than a send-up and salute to the hardworking folks of this country who do it on minimum wage every day.

Today, Madam Speaker, there is a mom who can say to her son, "Yes, son, you can go on that field trip because Mom has the money. Here you go." There is a dad who can say, "Honey, yes, you can go in and play softball this summer because we can work it out." There is an aunt who can afford to buy her nephew or niece maybe a birthday present which she just couldn't afford before.

There is a hardworking mother and father who do not have to rely upon the goodness of charity, which we admire that, but everybody also wants to earn their way, don't they? And they are not going to have to go to those food shelves, although I am glad that those food shelves are there because we need them. But this week they don't have to go because the minimum wage has been increased, and the hardworking people, the people who make this country really go, have gotten the edge up.

And so I just want to yield, take it to one of our fellow new members of the Majority Makers, and talk about this idea of a shared prosperity of America, and how the Democratic Congress is going to return our country to a time when everybody can feel that you can really make it, you have a real shot in the American economy not just for the few, but for the many.

Mr. KLEIN of Florida. I thank the gentleman. It is good to be here as part of our freshman class, the Majority Makers. It is an honor and privilege, as it always is, to be here in Congress and to talk about some of the things that we have been doing, Madam Speaker, over the last number of weeks that hopefully will really impact people's lives.

The thing I think that to me is so important about the minimum wage discussion was the fact that it was a discussion that not only dealt with the average family, the people putting food on the table, but also dealt with the small businesses, because there was concern by some people that our small businesses might be impacted, and there is only so much that a small business can absorb when compared to other businesses, because the bigger businesses probably pay more than minimum wage, but sometimes small businesses pay the minimum wage.

The great thing about this package is that it not only provided that increase, and two more increases to follow, which will amount to \$4,400 a year when this is fully implemented additional compensation to people. Think about what you can do with \$4,400 a year for a person who is earning minimum wage right now. We know that the problem all along has been minimum wage does not put food on the table and a roof over the house or the place that you live. So we are contributing to that.

But also, on the small business side there are some tax breaks that went along with it to help the small businesses absorb this, some tax breaks to help small businesses thrive. We are a small-business country by and large. I am from Florida. Most of our businesses are small business. Some are of the definition small businesses being 200 employees or less, but most small businesses are 5 people, 10 people. It really is that corner store that really makes the difference.

So we want those small businesses to thrive because they do create jobs. At the same time, we want the people that work in those jobs to be able to care for their families, to be able to put their kids through school, maybe to go to college if that is what they choose; certainly we live in a world economy where we want kids to go to college; pay for health care expenses, and at least move in the right direction.

So I am pretty excited that the minimum wage increase has finally been implemented, 10 years of this country lagging behind, and at the same time we are helping our small businesses compete and be successful.

I will just turn over to Mr. HODES to give his thoughts on how this affects people in New Hampshire.

Mr. HODES. I thank you both for being here tonight to talk about what is really a critical issue, the increase in the minimum wage which took effect on July 24, 2007, so we are actually celebrating it tonight. It is not just an